

## Message Text

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ORIGIN AF-06

INFO OCT-01 ISO-00 DODE-00 PM-03 SS-15 NSC-05 SSO-00

NSCE-00 INRE-00 CIAE-00 INR-07 NSAE-00 ABF-01 OMB-01

EB-07 TRSE-00 L-03 PRS-01 PA-01 USIA-06 AID-05 IGA-01

/063 R

DRAFTED BY AF/E:RSBARRETT:NB

APPROVED BY P:MR. SISCO

AF/E:WBCOOTE

DOD/ISA:GBADER

PM/SAS:RSMITH

S/S CABORG

AF: EWMULCAHY

NSC MR. HORAN

----- 086849

O 271619Z JUN 75

FM SECSTATE WASHDC

TO AMEMBASSY ADDIS ABABA IMMEDIATE

C O N F I D E N T I A L STATE 151862

E.O. 11652: GDS

TAGS: MASS, ET, US

SUBJECT: PRESIDENTIAL DETERMINATION (PD) ON REDUCED  
INTEREST RATE

FOR AMBASSADOR HUMMEL FROM UNDER SECRETARY SISCO

REF: ADDIS ABABA 7430

1. I AM GLAD TO INFORM YOU THAT PD GRANTING ETHIOPIA INTER-  
EST RATE OF 5 PERCENT FOR FY 75 FMS CREDIT WAS SIGNED BY  
PRESIDENT JUNE 26. CREDIT AGREEMENT FOR THE DOLS 25  
MILLION PREVIOUSLY ALLOCATED WILL BE SIGNED IN PENTAGON,  
ON FRIDAY, JUNE 27, AT 1500.

2. AMBASSADOR OR ASSISTANT SECRETARY DAVIS MAY WISH TO  
REFER TO CONCLUSION THIS CREDIT AGREEMENT IN THEIR TALKS  
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WITH PMG AUTHORITIES, POSSIBLY PMAC VICE-CHAIRMEN. IT  
COULD BE POINTED OUT THAT ETHIOPIA IS FIRST AND ONLY  
COUNTRY TO HAVE BEEN GRANTED REDUCED INTEREST RATE FOR FMS  
CREDIT UNDER REVISED LEGISLATION WHICH CAME OUT FOR THIS

JANUARY, AND THAT WE ARE PRESENTLY NOT SEEKING REDUCED RATE FOR ANY OTHER COUNTRY. IF PMG IS LOOKING FOR SIGNS OF GENUINENESS OF OUR EFFORTS TO HELP ETHIOPIA THIS WOULD BE A GOOD ITEM TO FOCUS ON.

3. IF PMG RAISES QUESTION OF DELAY IN CONCLUSION THIS

AGREEMENT IT CAN BE POINTED OUT THAT DELAY WAS DUE TO OUR DECISION TO SEEK LOWER INTEREST RATE. PROCEDURE FOR THIS WAS CHANGED IN JANUARY BY REQUIREMENT FOR PRESIDENTIAL ACTION AND AS ETHIOPIA WAS FIRST CASE IT TOOK TIME TO FORMULATE AND GO THROUGH THE NEW PROCEDURES. HAD WE DECIDED TO APPLY NORMAL INTEREST RATE, AS WE ARE DOING WITH MANY COUNTRIES, CREDIT AGREEMENT COULD HAVE BEEN SIGNED MUCH SOONER. WE ARE GLAD THAT DELAY DID NOT INTERFERE WITH OR RETARD ANY SHIPMENTS OF MILITARY EQUIPMENT.

4. WE ARE BENDING EVERY EFFORT TOWARD A RAPID SIGNATURE OF THE F-5A PD WHICH IS PENDING IN THE WHITE HOUSE. KISSINGER

CONFIDENTIAL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIRCRAFT, PROCUREMENT, SALES, CREDIT, AGREEMENTS, LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** johnsorg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** AF/E:RSBARRETT:NB  
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**Executive Order:** 11652 GDS  
**Errors:** n/a  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
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**Review Authority:** johnsorg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 AUG 2003  
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**Review Exemptions:** n/a  
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**Status:** NATIVE  
**Subject:** n/a  
**TAGS:** MASS, ET, US  
**To:** ADDIS ABABA  
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